

Senate Study Bill 1258 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act reestablishing individual income tax checkoffs for the
2 Iowa state fair foundation fund and the joint income tax
3 checkoff for the veterans trust fund and the volunteer fire
4 fighter preparedness fund.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 173.22, subsection 2, Code 2019, is
2 amended to read as follows:

3 2. A foundation fund is created within the state treasury
4 composed of moneys appropriated or available to and obtained or
5 accepted by the foundation. The foundation fund shall include
6 moneys credited to the fund as provided in section ~~422.12D~~
7 422.12I.

8 Sec. 2. Section 422.12E, Code 2019, is amended to read as
9 follows:

10 **422.12E Income tax return checkoffs limited.**

11 ~~1. For tax years beginning on or after January 1, 2019,~~
12 ~~there~~ There shall be allowed no more than four income tax
13 return checkoffs on each income tax return. ~~For~~ Commencing
14 with the tax years year beginning on ~~or after~~ January 1,
15 2017, when the same four income tax return checkoffs have
16 been provided on the income tax return for two consecutive
17 tax years, the two checkoffs for which the least amount has
18 been contributed, in the aggregate for the first tax year
19 and through March 15 of the second tax year, are repealed on
20 December 31 of the second tax year.

21 2. If more checkoffs are enacted in the same session of
22 the general assembly than there is space for inclusion on the
23 individual tax return form, the checkoff with the earliest
24 ~~enacted checkoffs~~ date of enactment as determined pursuant
25 to section 3.7 for which there is space for inclusion on the
26 return form shall be included on the return form, and all other
27 checkoffs enacted during that session of the general assembly
28 are repealed on December 31 of the year of enactment. If
29 more checkoffs are enacted in the same session of the general
30 assembly than there is space for inclusion on the individual
31 income tax form ~~and the additional checkoffs are enacted on~~
32 ~~the same day~~ and it is indeterminable which checkoff has
33 the earliest date of enactment pursuant to section 3.7, the
34 director shall determine which checkoffs shall be included on
35 the return form, and all other checkoffs not included on the

1 return form shall be repealed on December 31 of the year of
2 enactment.

3 3. a. By July 1 of the second tax year in which two
4 checkoffs are repealed pursuant to subsection 1, the department
5 shall notify the Iowa Code editor which two checkoffs received
6 the least amount of contributions and are repealed.

7 b. By September 1 of any applicable tax year, the department
8 shall notify the Iowa Code editor of any repeal pursuant to
9 subsection 2.

10 **Sec. 3. NEW SECTION. 422.12G Joint income tax checkoff for**
11 **veterans trust fund and volunteer fire fighter preparedness fund.**

12 1. A person who files an individual or a joint income tax
13 return with the department of revenue under section 422.13 may
14 designate one dollar or more to be paid jointly to the veterans
15 trust fund created in section 35A.13 and to the volunteer fire
16 fighter preparedness fund created in section 100B.13. If the
17 refund due on the return or the payment remitted with the
18 return is insufficient to pay the additional amount designated
19 by the taxpayer, the amount designated shall be reduced to the
20 remaining amount of refund or the remaining amount remitted
21 with the return. The designation of a contribution under this
22 section is irrevocable.

23 2. The director of revenue shall draft the income tax form
24 to allow the designation of contributions to the veterans trust
25 fund and to the volunteer fire fighter preparedness fund as
26 one checkoff on the tax return. The department of revenue,
27 on or before January 31, shall transfer one-half of the total
28 amount designated on the tax return forms due in the preceding
29 calendar year to the veterans trust fund and the remaining
30 one-half to the volunteer fire fighter preparedness fund.
31 However, before a checkoff pursuant to this section shall be
32 permitted, all liabilities on the books of the department of
33 administrative services and accounts identified as owing under
34 section 8A.504 shall be satisfied.

35 3. The department of revenue shall adopt rules to administer

1 this section.

2 4. This section is subject to repeal under section 422.12E.

3 Sec. 4. Section 422.12H, Code 2019, is amended to read as
4 follows:

5 **422.12H Income tax checkoff for fish and game protection**
6 **fund.**

7 1. A person who files an individual or a joint income tax
8 return with the department of revenue under [section 422.13](#) may
9 designate a contribution to the state fish and game protection
10 fund authorized pursuant to [section 456A.16](#).

11 2. This section is subject to repeal under section 422.12E.

12 Sec. 5. NEW SECTION. **422.12I Income tax checkoff for the**
13 **Iowa state fair foundation fund.**

14 1. A person who files an individual or a joint income tax
15 return with the department of revenue under section 422.13
16 may designate one dollar or more to be paid to the foundation
17 fund of the Iowa state fair foundation as established in
18 section 173.22. If the refund due on the return or the payment
19 remitted with the return is insufficient to pay the amount
20 designated by the taxpayer to the foundation fund, the amount
21 designated shall be reduced to the remaining amount of the
22 refund or the remaining amount remitted with the return. The
23 designation of a contribution to the foundation fund under this
24 section is irrevocable.

25 2. The director of revenue shall draft the income tax form
26 to allow the designation of contributions to the foundation
27 fund on the tax return. The department, on or before January
28 31, shall transfer the total amount designated on the tax
29 form due in the preceding year to the foundation fund.
30 However, before a checkoff pursuant to this section shall be
31 permitted, all liabilities on the books of the department of
32 administrative services and accounts identified as owing under
33 section 8A.504 shall be satisfied.

34 3. The Iowa state fair board may authorize payment from
35 the foundation fund for purposes of supporting foundation

1 activities.

2 4. The department of revenue shall adopt rules to implement
3 this section.

4 5. This section is subject to repeal under section 422.12E.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill reestablishes the individual income tax checkoff
9 for the Iowa state fair foundation fund and the joint income
10 tax checkoff for the veterans trust fund and the volunteer fire
11 fighter preparedness fund.

12 A checkoff allows a taxpayer who files an individual or
13 a joint income tax return with the department of revenue
14 to designate a dollar amount to be paid to a specific fund
15 included on the individual income tax form.

16 Currently, the following four checkoffs are included on
17 the individual income tax return form: the Iowa state fair
18 foundation fund, the fish and game protection fund, the
19 child abuse prevention program fund, and the joint income tax
20 checkoff for the veterans trust fund and the volunteer fire
21 fighter preparedness fund.

22 Under Code section 422.12E(1), for tax years beginning on
23 or after January 1, 2017, when the same four income tax return
24 checkoffs have been provided on the individual income tax
25 return for two consecutive years, the two checkoffs for which
26 the least amount has been contributed, in the aggregate for the
27 first tax year and through March 15 of the second tax year, are
28 repealed. The Iowa state fair foundation fund checkoff and the
29 joint income tax checkoff for the veterans trust fund and the
30 volunteer fire fighter preparedness fund received the least
31 amount contributed in the aggregate for the previous tax year
32 and through March 15 of this tax year, and therefore have been
33 repealed by operation of law.

34 The bill reestablishes the Iowa state fair foundation
35 checkoff and the joint income tax checkoff for the veterans

1 trust fund and the volunteer fire fighter preparedness fund for
2 inclusion on the 2019 and 2020 individual income tax return
3 forms, after which the checkoffs will again be subject to
4 repeal pursuant to Code section 422.12E(1), if the checkoffs
5 have the least amount of contributions in comparison to the
6 other two checkoffs.

7 The bill specifies that if a checkoff is repealed by
8 operation of law pursuant to Code section 422.12E, the date of
9 the repeal is December 31.

10 For purposes of publishing the Code, the bill requires the
11 department of revenue to notify the Iowa Code editor which two
12 checkoffs received the least amount of contributions during
13 the applicable tax year, and thereby are repealed by operation
14 of law. The bill also requires the department of revenue to
15 notify the Iowa Code editor when more checkoffs are enacted
16 than there is space for inclusion on the individual income tax
17 return form, and thereby are repealed by operation of law as
18 well.

19 The amendment to Code section 422.12H relating to the fish
20 and game protection gaming fund specifies that the income tax
21 checkoff for the fish and game protection fund is subject to
22 repeal under Code section 422.12E just as the other checkoffs
23 are subject to repeal, if the fund is one of two checkoffs
24 receiving the least amount of contributions over a two-year
25 period.